

# Seeka Limited

Investor presentation – April 2019

# Our Business

Delivering orchard-to-market excellence



## In Australia

- Grow, process and market

Kiwifruit

Nashi pears

European pears

Largest grower of  
kiwifruit in New Zealand  
and Australia

Australia's largest  
nashi grower

## In New Zealand

- Grow, process and market<sup>1</sup>

Kiwifruit<sup>2</sup>

Avocado

Kiwiberry

- Develop, lease and manage orchards

- Manufacture

Kiwi Crush, avocado oil

- Import, ripen and supply

Bananas, tropical fruit

- Wholesale

Seasonal produce



1. Seeka also processes citrus and berries  
2. NZ kiwifruit is predominantly marketed by Zespri

# Seeka's key investment attributes

- 1 A premium produce company
  - Major varieties Kiwifruit, Avocados, Nashi and European Pears
- 2 An investment entry point to New Zealand kiwifruit and avocados
  - Geographical reach
  - Integrated service from orchard to retail
  - Major supplier of NZ kiwifruit to Zespri
- 3 Significant orchard and produce business in Australia (including kiwifruit)
- 4 Capital already invested to increase supply and fruit handling capacity
- 5 Positioned for further growth

# Highlights

Financial year ending 31 December 2018 - audited

## Financial

- \$203.7m total revenue
- \$26.2m EBITDA
- \$7.4m profit after tax
- \$0.37 earnings per share

## New Zealand Kiwifruit volumes up

- 31.4m trays of New Zealand kiwifruit harvested and packed – up 23% on pcp

## Growth

- Acquired T&G Horticulture's post harvest business and kiwifruit orchards for \$42.1m<sup>1</sup> in 2018
- Developing Australian orchards
- Investing in New Zealand post-harvest infrastructure
- Purchase of Aongatete Coolstores Limited in 2019 for \$25m

## Recapitalised

- Fully-subscribed rights issue raised \$47.9m in 2018
- Sell down of Northland NZ orchards releasing cash and securing supply
- Disciplined approach to debt – asset review
- Dividend maintained

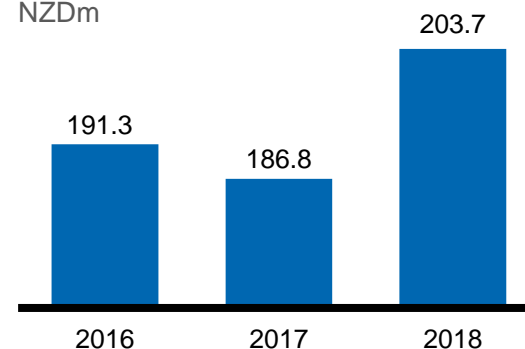
1. Yet to settle \$9.8m of the purchase

# Financial summary

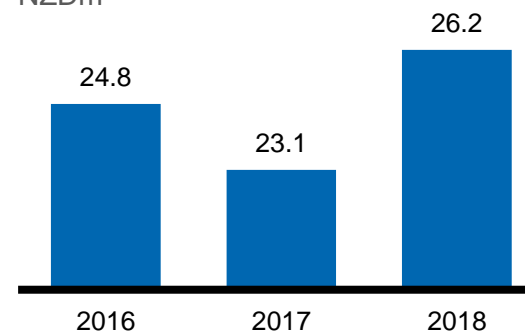
## Audited financial results FY18

NZDm	FY17	FY18	Change
Revenue	186.8	203.7	↑ 9%
EBITDA <sup>1</sup>	23.1	26.2	↑ 13%
Net profit after tax	5.8	7.4	↑ 27%

**Revenue**  
NZDm



**EBITDA**  
NZDm



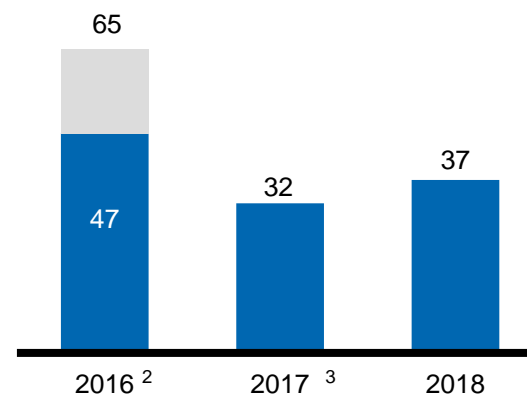
1. EBITDA is earnings before interest, tax, depreciation, amortisation, impairments and revaluations.

# Earnings, net debt, net asset backing and dividends

## 37c Earnings per share

NZD	FY17	FY18
Earnings per share <sup>1</sup>	32 c	37 c
Net debt (NZDm)	83.1	79.1
Total assets (NZDm)	222.0	269.8
Net tangible assets per share	\$ 5.18	\$ 4.96
Full Year dividends	\$0.22	\$0.24

**Earnings per share**  
Cents



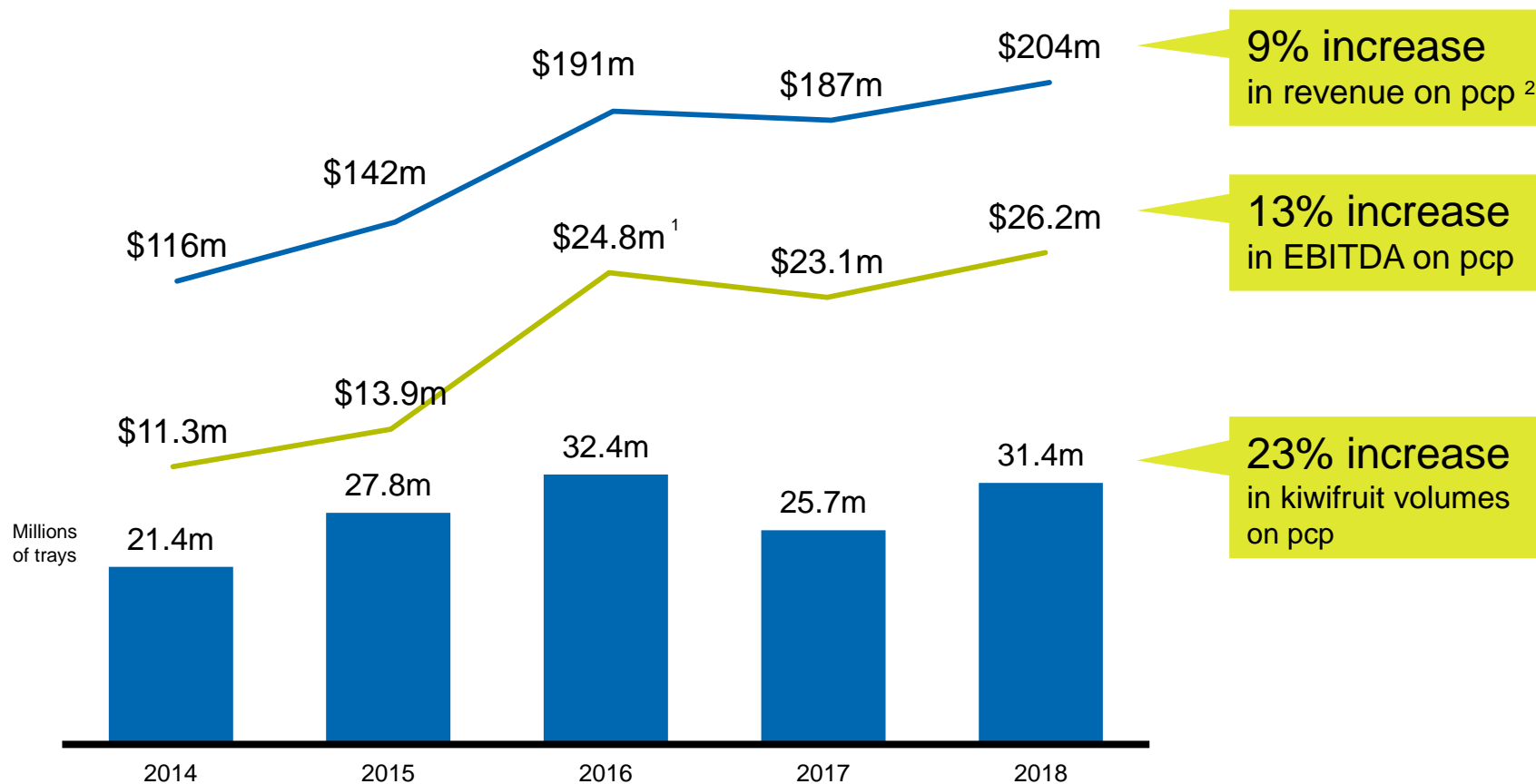
2. 2016 Normalised EPS excludes \$4.1m (\$3.1m after tax) of insurance proceeds which reduces EPS to \$0.47.

3. In 2017 a \$1m prior period deferred tax adjustment was expensed. Impairments less revaluation gains resulted in a further \$0.3m reduction.

1. In accordance with IAS, 2017 EPS was restated from the previously reported result due to December 2018 rights issue

# Higher kiwifruit volumes

Hayward green up 23%      SunGold up 24%

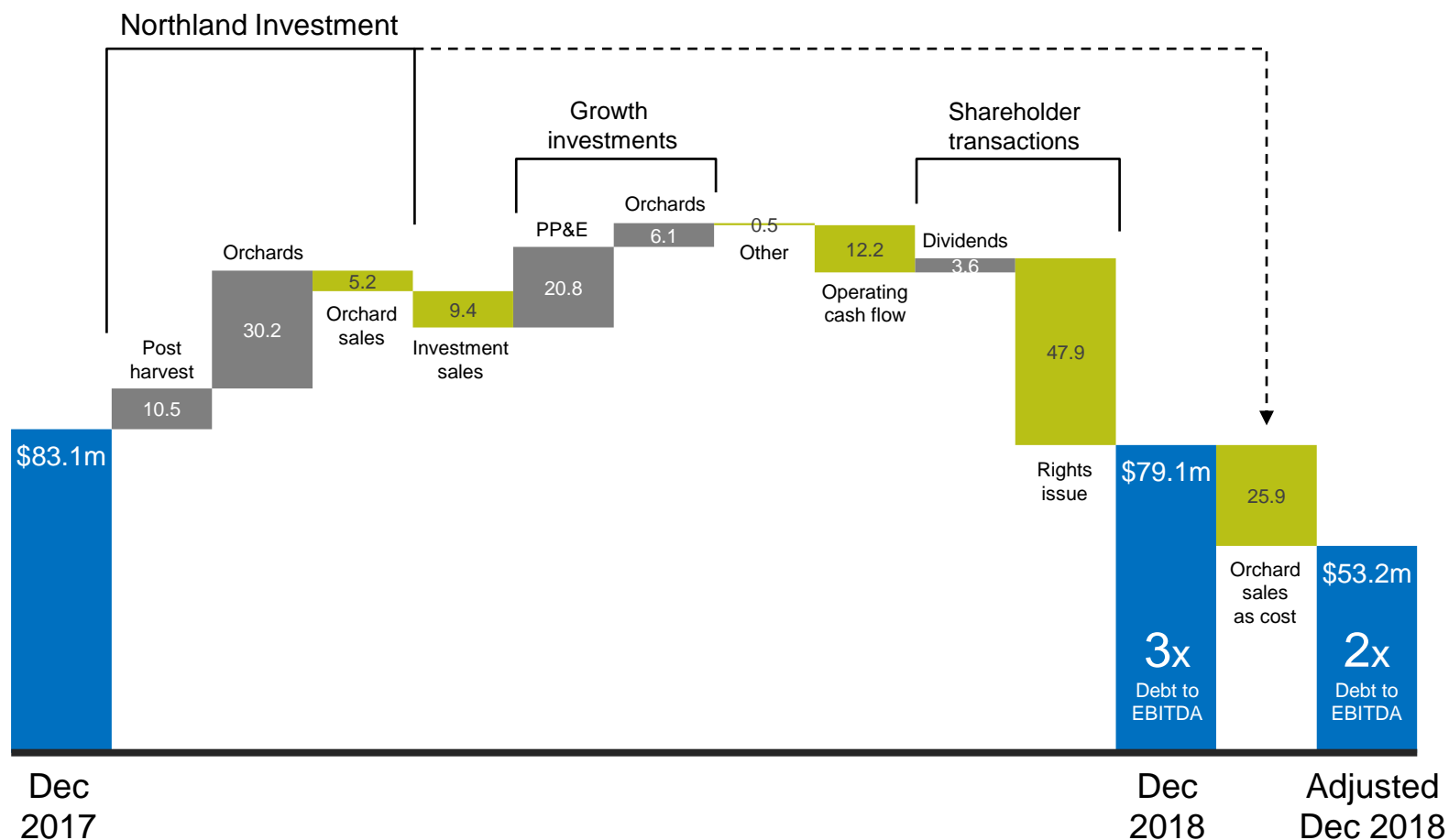


1. Includes insurance proceeds of \$3.6m

2. Pcp is previous corresponding period to 31 December 2017

# Disciplined approach to debt

Seeka target: Between 1.5 and 2.5 times EBITDA



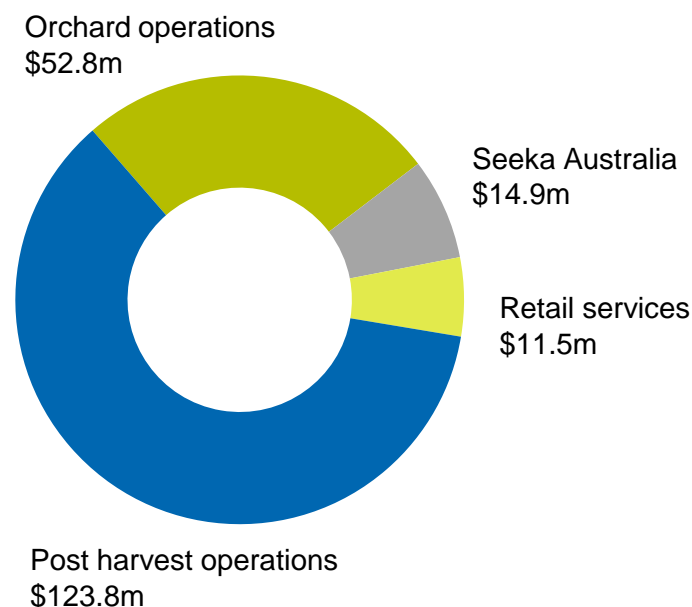
Cash flow 2018, NZDm



# Four operating segments capture the value chain

- **Orchard operations, New Zealand**  
Growing kiwifruit, avocado and kiwiberry
- **Post harvest operations, New Zealand**  
Picking, packing and coolstoring fruit
- **Retail services, New Zealand**  
Marketing local and imported produce in NZ, exports to Australia and around the world, manufactures functional foods
- **Seeka Australia**  
Owns orchards and post harvest facilities

Revenue by operating segment FY2018<sup>1</sup>



# Operating segment performance

	FY16A	FY17A	FY18A
<b>NZ KIWIFRUIT VOLUME</b> (Millions Class 1 & 2 trays)	32.4m	25.7m	31.4m
<b>EBITDA (NZDm)</b>			
Post harvest operations	26.8	22.0	32.1
Orchard operations	5.6	6.4	3.4
Retail services	1.9	2.9	1.6
Seeka Australia	1.0	2.3	(0.1)
Other	(10.6)	(10.4)	(10.8)
<b>Total</b>	<b>24.8</b>	<b>23.1</b>	<b>26.2</b>

# Avocados and Kiwifruit are forecast to grow

\$100m invested in the last 5 years to handle increasing volumes

- New Zealand kiwifruit volumes growing strongly and forecast to continue

Strong global consumer demand

Seeka had 20% market share in 2018

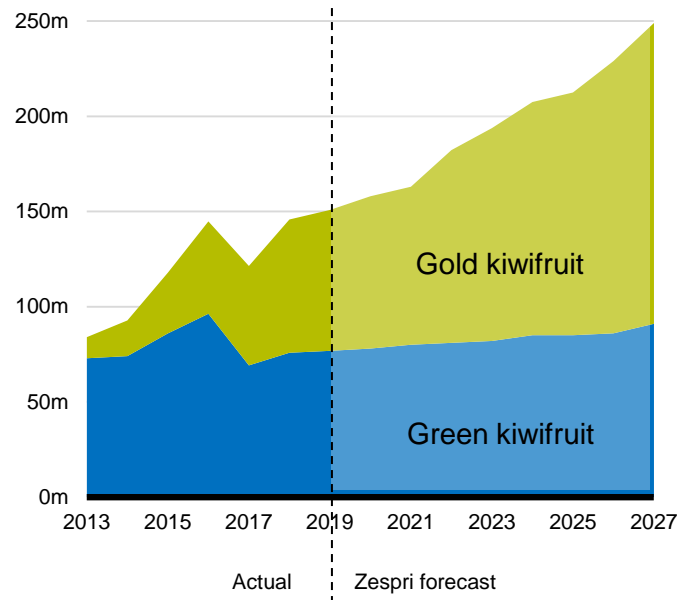
Seeka benefits from higher volumes

- Export value of NZ avocados growing strongly

Nearly doubled in the last 5 years over the pcp<sup>2</sup>

Seeka had 10% market share of avocado handling and marketing in 2017/18

**New Zealand kiwifruit exports**  
Millions of class 1 trays<sup>1</sup>



1. Zespri 5 Year Outlook, November 2017. Note in 2018, Zespri completed the first of its 5-year plan to sell 750 hectares of licences per year  
2. New Zealand Avocado Annual Report 2018, p22

# Seeka's Australian operations

Invested to grow volumes and margins



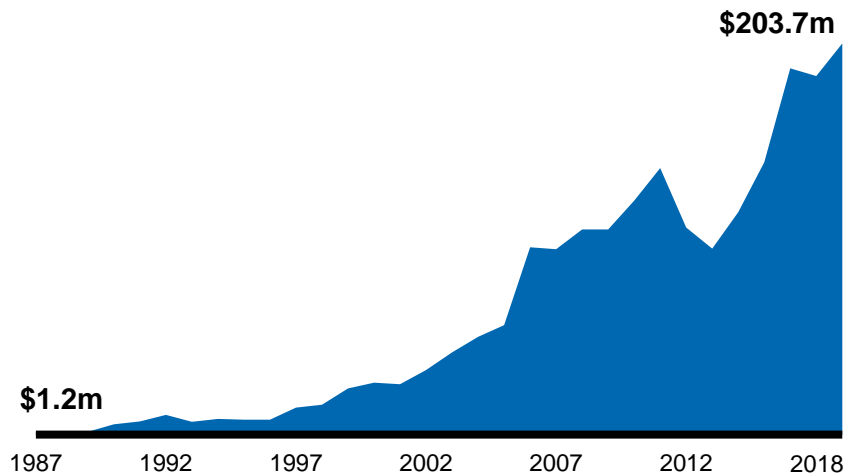
- Seeka estimates it has over 80% market share of Australian kiwifruit, and 90% of Australian nashi
- Developing orchards with more profitable crop type and varieties
  - 53 hectares of kiwifruit and 30 hectares of pears in development – includes new variety hybrid pears
- Poised for volume and profit growth over 5 years

# Seeka is a growth company

## Increasing revenue

Expansion through product portfolio, geographical reach and value chain

### Revenue

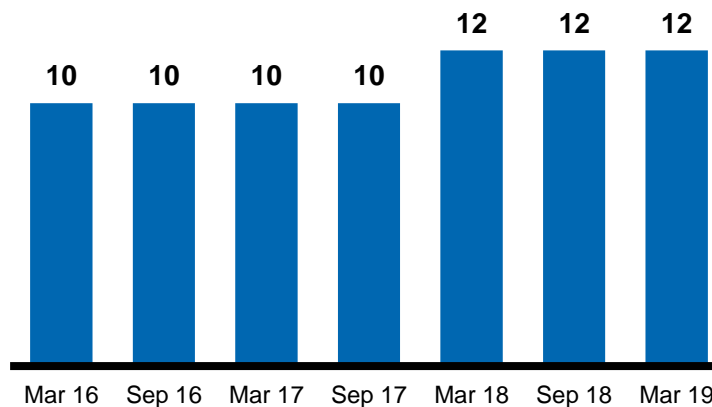


## Delivering value to shareholders

24 cents in the last 12 months

### Cash dividend

Cents per share<sup>1</sup>



1. Fully imputed

# Latest announcements

## Updated EBITDA guidance

- FY2019 to a range of between \$36.5m to \$37.5m, from the previous guidance of between \$27.5m and \$28.5m. The increase is the result of:
  - Northland Orchard sales process \$4.2m
  - Effect of accounting standard changes \$5.6m

## Seeka continues its heartland growth story

- Purchase of Aongatete Coolstores Limited for \$25m will add EBITDA between \$3.5m and \$4.5m when fully integrated

Analyst Briefing Pack and Credit Swiss Analysis available for more information

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